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State Subsidies Flush for Promoting Genetics Trade

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Report Highlights:

Russia is not just the world's largest importer of meat and poultry; it's also the world's largest importer of animal genetics as they try to reach self-sufficiency targets. The elimination of import duties and VAT taxes for breeding stock as well as providing direct import subsidies for livestock genetics have stimulated a burst of trade as enterprises must now stock GOR-subsidized livestock and poultry infrastructure projects.

Executive Summary:

Russia is not just the world's largest importer of meat and poultry; it's also the world's largest importer of animal genetics as they try to reach self-sufficiency targets. As such, the GOR continues to take active intervention measures to improve the financial incentives for Russia to increase domestic production beyond cutting meat and poultry import quotas which have already effectively raised domestic prices. The elimination of import duties and VAT taxes for breeding stock as well as providing subsidies to purchase pedigree livestock genetics will continue to stimulate trade as enterprises will need to stock newly constructed or renovated livestock and poultry infrastructure.

Table 1: Russia Imports, All Types of Breeding Stock

	2007		2008		2009		2009/2008 Δ	
	US\$000	Vol.	US\$000	Vol.	US\$000	Vol.	US\$	Vol.
Live Pure-Bred Breeding Cattle (HS-010210) (Volume = Head)								
World	200,218	74,788	202,007	57,400	173,956	47,682	-14%	-17%
United States	0	0	7,783	1,936	42,852	9,109	451%	371%
Bovine Semen (HS-051110) (Volume = Head)								
World	1,156.8	677.0	2,147.4	1,522.0	2,428.8	380.0	13%	-75%
United States	366.4	116.0	911.3	945.0	760.5	114.0	-17%	-88%
Live Pure-Bred Breeding Swine (HS-010310) (Volume = Head)								
World	43,796	57,482	29,781	32,312	13,825	12,577	-54%	-61%
United States	0	0	0	0	0	0	n/a	n/a
Live Chicks, Weight Not Over 185 G (6.53 Oz.) (HS-010511) (Volume = 1,000)								
World	41,337	10,086	55,240	9,505	54,361	9,121	-2%	-4%
United States	75	15	252	54	0	0	-100%	-100%
Live Turkeys, Weight Not Over 185 G (6.53 Oz.) (HS-010512) (Volume = 1,000)								
World	3,290	1,111	3,273	1,051	2,893	1,092	-12%	4%
United States	0	0	0	0	0	0	n/a	n/a
Poultry Eggs For Hatching (Excl. Turkey Or Goose) (HS-04070019) (Volume = 1,000)								
World	55,657	150,947	53,461	141,563	56,305	158,761	5%	12%
United States	10,292	25,463	9,284	21,927	9,581	23,182	3%	6%
Turkey Or Goose Eggs For Hatching (HS-04070011) (Volume = 1,000)								
World	3,289	2,531	4,052	2,592	5,200	3,555	28%	37%
United States	0	0	0	0	0	0	n/a	n/a
Live Pure-Bred Breeding Sheep (HS-01041010) (Volume = Head)								
World	460	n/a	0	0	0	0	n/a	n/a
United States	0	0	0	0	0	0	n/a	n/a
Live Pure-Bred Breeding Goats (HS-01042010) (Volume = Head)								
World	418	837	182	306	0	0	-100%	-100%
United States	0	0	0	0	0	0	n/a	n/a
Pure-Bred Breeding Horses (HS-01011010) (Volume = Head)								
World	955	220	4,498	368	2,880	329	-36%	-11%
United States	490	88	1,582	232	1,412	190	-11%	-18%

Source: World Trade Atlas

General Information:

Russia remains in pursuit of self-sufficiency targets for several products, and as such, the GOR continues to take active intervention measures to improve the financial incentives for Russia to increase domestic production beyond cutting meat and poultry import quotas which have already effectively raised domestic prices. The elimination of import duties and VAT taxes for breeding stock as well as providing subsidies to purchase pedigree livestock genetics will continue to stimulate trade as enterprises will need to stock newly constructed or renovated livestock and poultry infrastructure.

Federal plans have directed large state support to agriculture and livestock development. This largely started with the "National Agricultural Priority projects" which were introduced for 2006-2008 and included purchases of cattle for breeding and high quality embryos and semen of domestic origin as well as imported ones. National Agricultural Priority projects were then substituted by Program for Agriculture and for Market Regulation for the period 2009-2012 which outlays the state plan for Russian agriculture for the period. The program is based on the Law on Development of Agriculture (*see* GAIN report RS-7005) that went into effect in January 2007. The program envisions raising the proportions of brood stock in the national livestock herds to 13% of bovines, 18% of swine and 11% of sheep by 2012, which is expected to "allow supply to producers of breeds adapted to local conditions and reduce production costs. Specific subsectors targeted by this program include "traditional" livestock subsectors associated with certain ethnic groups in the far north, Siberia, and far east, including reindeer, free-range horse herds, sheep, and goats.¹

Most recently, on February 1, 2010, Russian President Medvedev signed Russia's Food Security Doctrine <<http://www.kremlin.ru/news/6752>>, and ordered the Government to prepare a proposal aimed at implementing this Doctrine by April 1, 2010. The proposal focuses on upgrading the quality of Russia's agricultural production and the replacement of imports with domestic products. According to the Agriculture Ministry's plans, the market share of imported meat is expected to go down from 25 percent in 2009 to 15 percent in 2012, and dairy products from 22 percent in 2009 to 10 percent in 2012.

Ministry of Agriculture subsidies for agriculture in 2010 are estimated at RuR97.9 billion, down slightly from RuR99.7 billion in 2009. However, support contributed to interest rate subsidies increased 30 percent to RuR79.4 billion and should contribute to RuR400 billion in new 2010 projects, including 92 meat and poultry breeding farms in 42 regions of Russia. RuR3.7 billion will be available for the purchase of purebred breeding stock. RuR3.5 billion is targeted to support the beef cattle breeding. To direct further guidance specifically for the poultry industry, the Ministry of Agriculture also expects a poultry production development program will soon be submitted for approval. Ministry of Agriculture's 2009 support was aimed at the new construction of 156 investment projects in livestock breeding, including 42 swine farms, 32 poultry farms and 6 projects for beef cattle production. In the first half of 2009, 85 new farms were constructed, including 31 swine farms, 37 poultry farms and 17 beef cattle farms. Many of these facilities are populated with

¹ Traditionally, most Russian bovine breeds are "dual-purpose", i.e., used for production of both meat and milk. The "specialization" alluded to in the program documents refers to adoption of beef breeds, something heretofore not widely practiced in Russia.

imported high quality livestock and poultry for breeding, purchases of which are supported by the GOR.

Veterinary Certificates

Most veterinary certificates for imports to Russia of livestock, embryos, and semen were signed in May 2008, permitting export sales to Russia. The last certificate for imports of breeding sheep and goats was signed in December 2009. Copies of the veterinary certificates can be found at the following websites:

- USDA Animal and Plant Health Inspection Service
<http://www.aphis.usda.gov/regulations/vs/iregs/animals/>
- Russian Federal Veterinary Service
<http://www.fsvps.ru/fsvps/importExport/usa/sertificates.html>

Policy:

Policy Background

Russia remains in pursuit of self-sufficiency targets for several products, and as such, the GOR continues to take active intervention measures to improve the financial incentives for Russia to increase domestic production beyond cutting meat and poultry import quotas which have already effectively raised domestic prices. The elimination of import duties and VAT taxes for breeding stock as well as providing subsidies to purchase pedigree livestock genetics will continue to stimulate trade as enterprises will need to stock newly constructed or renovated livestock and poultry infrastructure. Federal plans have directed large state support to agriculture and livestock development. This largely started with the “National Agricultural Priority projects” which were introduced for 2006-2008 and included purchases of cattle for breeding and high quality embryos and semen of domestic origin as well as imported ones. National Agricultural Priority projects were then substituted by Program for Agriculture and for Market Regulation for the period 2009-2012 which outlays the state plan for Russian agriculture for the period. The program is based on the Law on Development of Agriculture (see GAIN report RS-7005) that went into effect in January 2007. The program envisions raising the proportions of brood stock in the national livestock herds to 13% of bovines, 18% of swine and 11% of sheep by 2012, which is expected to "allow supply to producers of breeds adapted to local conditions and reduce production costs. Specific subsectors targeted by this program include "traditional" livestock subsectors associated with certain ethnic groups in the far north, Siberia, and far east, including reindeer, free-range horse herds, sheep, and goats. [1]. In line with this law are several GOR Resolutions and Ministry of Agriculture Orders providing further direction:

- GOR Resolution #446 (July 14, 2007) directs implementation of the state program of
- agricultural development and regulation of markets for agricultural products, raw materials, and food for 2008-2012
- GOR Order #1146 (July 30, 2008) on development of “The Center of Excellence for Livestock Breeding” to form a state institution responsible for developing domestic genetics and

introducing new technologies in livestock breeding

- Ministry of Agriculture Order #494 (November 6, 2008) on “Development of beef cattle breeding in Russia in 2009-2012”
- Ministry of Agriculture Order #495 (November 6, 2008) on “Development of dairy cattle breeding and increase of milk production in the Russian Federation in 2009-2012”; and
- Ministry of Agriculture Order #567 (November 30, 2009) on “Development of pig breeding in Russia for 2010-2012”
- Ministry of Agriculture drafted a Resolution on “Development of Poultry breeding” that will be considered in the first half of 2010

Most recently, on February 1, 2010, Russian President Medvedev signed Russia’s Food Security Doctrine <<http://www.kremlin.ru/news/6752>>, and ordered the Government to prepare a proposal aimed at implementing this Doctrine by April 1, 2010. The proposal focuses on upgrading the quality of Russia’s agricultural production and the replacement of imports with domestic products. According to the Agriculture Ministry’s plans, the market share of imported meat is expected to go down from 25 percent in 2009 to 15 percent in 2012, and dairy products from 22 percent in 2009 to 10 percent in 2012. Ministry of Agriculture subsidies for agriculture in 2010 are estimated at RuR97.9 billion, down slightly from RuR99.7 billion in 2009. However, support contributed to interest rate subsidies increased 30 percent to RuR79.4 billion and should contribute to RuR400 billion in new 2010 projects, including 92 meat and poultry breeding farms in 42 regions of Russia. RuR3.7 billion will be available for the purchase of purebred breeding stock. RuR3.5 billion is targeted to support the beef cattle breeding. To direct further guidance specifically for the poultry industry, the Ministry of Agriculture also expects a poultry production development program will soon be submitted for approval. Ministry of Agriculture’s 2009 support was aimed at the new construction of 156 investment projects in livestock breeding, including 42 swine farms, 32 poultry farms and 6 projects for beef cattle production. In the first half of 2009, 85 new farms were constructed, including 31 swine farms, 37 poultry farms and 17 beef cattle farms. Many of these facilities are populated with imported high quality livestock and poultry for breeding, purchases of which are supported by the GOR.

In real terms, the Ministry of Finance has exempted VAT taxes for domestic and imported breeding livestock, including breeding cattle, swine, sheep and goats, and eggs for hatching. Imported livestock for breeding are exempt from import duties. Ministry of Agriculture’s support for pedigree dairy cattle results in state subsidies of RuR12-14/kg (\$0.38-0.44/kg) live weight, depending on the destination region in Russia, and pedigree beef cattle may receive RuR5,000/kg (\$160/kg). Russian banks are able to issue soft loans of up to 8-year terms for purchases of breeding livestock where two-thirds of the interest rate is paid by the federal budget and the remaining one-third is reimbursable from the regional budgets.

Cattle

Dairy Cattle

On November 6, 2008, the Russian Ministry of Agriculture issued Order # 495 “Development of dairy cattle breeding and increase of milk production in the Russian Federation in 2009-2012”. In addition to installing price controls in the dairy market, the state plan envisages developing pedigree livestock breeding by increasing the number of registered pedigree dairy cattle to 15 percent of total dairy cattle herd and purchasing 100,000 domestic and imported heifers annually through 2012. The plan also includes purchasing breeding bulls and supporting livestock breeding farms. Today, Russia has 1,200 cattle breeding farms populated with 800,000 heads of cattle. Nevertheless, according to the Ministry of Agriculture, they can not provide the dairy industry with high quality pedigree livestock.

Table 2: Plan for subsidizing purchasing and management of breeding bulls

	Purchase of bulls		Subsidies for bulls management		Subsidies, total
	Heads	RuR, mln	1,000 head	RuR, mln	RuR, mln
2009	100	4	1,000	100	104
2010	100	4	1,000	100	104
2011	100	4	1,000	100	104
2012	100	4	1,000	100	104

Source: Ministry of Agriculture

Beef Cattle

Beef production in Russia remains an offshoot of the restructuring dairy industry. Post currently estimates the beef herd still only accounts for only about 2 percent of the declining cattle herd, which means a sustainable turnaround in beef production remains 5-10 years in the distance before the dairy herd stabilizes and beef cattle represent a larger share of Russian beef production. For now, dairy cattle, particularly slaughtered calves, uncastrated dairy bulls, and culled dairy cows, will remain the primary source of domestic beef (and veal). To illustrate this fact, from January-September 2009, Russia produced only 15,300 MT of beef from beef breeds and 88,600 MT of beef from beef-dairy crosses. Annualized, these figures represent 1 percent and 9 percent of the total beef production, respectively.

To turn this tide, Russia is now actively attempting to develop a commercial beef industry. Minister of Agriculture Skrynnik, speaking about the development of livestock in the country, noted in February 2010 that “currently the production of pork and poultry is growing, with beef in short supply. “So, - continued the Minister, - our efforts will be directed to support beef cattle breeding, and at increasing the number of beef breeding farms.” Earlier, on November 6, 2008, the Russian Ministry of Agriculture issued Order #494 “Development of beef cattle breeding in Russia in 2009-2012”. This order grants the beef cattle program RuR19.2 billion (\$600 million) in federal funding

for the development of beef cattle breeding and to increase the number of pedigree beef cattle from 142,900 head in 2007 to 500,000 head in 2012, including from 66,300 cows in 2007 to 200,000 cows in 2012, indicating a planned annual growth of 29 percent for total inventory and 25 percent for cows.

In 2009, GOR budgeted RuR3.5 billion (\$110 million) for 23 regional beef cattle programs to promote beef breeds. This funding was held consistent in 2010. The program envisages per cow financing of beef cattle breeding farms for cow/calf operations as well as subsidies for purchases of beef cattle heifers. According to the program, annual state subsidies per cow on cattle breeding farms are set at RuR5,000 (\$160).

Table 3: Russia Financing of Beef Cattle Farms for Cow/Calf Operations

	Breeding (Seedstock) Farms		Reproducing (Multiplier) Farms		Total
	1,000 head	RuR, mln	1,000 head	RuR, mln	RuR, mln
2009	27.0	135.0	31.0	140.0	275.0
2010	38.5	192.5	69.9	314.5	507.0
2011	60.0	300.0	102.4	461.0	761.0
2012	80.0	400.0	99.1	446.0	846.0

Source: Ministry of Agriculture

The GOR will also allocate subsidies for embryos and semen purchases. RuR9.0 million (\$300,000) will be allocated for purchase 3,000 embryos annually and 15RuR million (\$475,000) will be allocated to offset the cost of 500,000 doses of semen. These funds will be available annually from 2009-2012.

The creation of the Russian Union of Beef Producers (Rosprog) on February 1, 2010, is one additional piece of evidence that development of the Russian beef industry is underway. The union represents 25 regions and has the support of the Ministry of Agriculture.

Live Cattle, Embryo, and Semen Imports

Russia is the world's most lucrative market for pure-bred breeding cattle, accounting for 30 percent of the world import value in 2007 and 2008 and priced at an average CIF import value of \$3,500/hd. In 2009, Russian imports of breeding cattle \$174 million or 48,000 head, slightly down from the two previous years. While imports were down significantly for the European Union, Australia, and Canada, the United States became a major supplier (primarily shipping Holsteins) in the first full year after signing its veterinary protocol to export. The most popular breeds among Russian imports are Holstein for dairy and Angus (followed by Hereford) for beef. Considering the trade in live cattle that maintained during the economic downturn and the continued state support, access to shipping vessels will be the primary, if only constraint to duplicating or increasing imports of live cattle in 2010.

Many Russian livestock breeders use bovine semen to improve their beef and dairy cattle herds. Bovine semen imports totaled \$2.4 million in 2009, 13 percent more by value but 75 percent less by volume over 2008. Increased awareness of sexed semen likely contributed to these diverging figures. The biggest exporters were Canada, the United States, and Germany.

Russia is not importing embryos widely. However, the Russian cattle breeders have started to introduce this technology and educate embryo transfer technology experts. Its trade has the potential to blossom as the technology presents the potential for cost savings as compared to shipping live cattle. Additionally, utilizing embryos versus semen or live cattle allows the Russians to continue utilizing their current herd of dairy cattle while still making large gains in average yields. Post estimates imports are currently at \$100,000.

There are a couple dominant Russian companies involved in the imports of live cattle, semen, and embryos to the Russian Federation:

Rosagroleasing <<http://www.rosagroleasing.ru>>

Agroplemsoyuz <<http://www.agroplemsoyuz.ru>>

Russian Breeding Association “Rosplem” <<http://www.vniimzh.ru/units.php>>

Table 4: Russia Imports, Live Pure-Bred Breeding Cattle (HS-010210)

	2007		2008		2009		2009/2008 Δ	
	US\$000	Head	US\$000	Head	US\$000	Head	US\$	Head
World	200,218	74,788	202,007	57,400	173,956	47,682	-14%	-17%
European Union	167,767	61,602	100,006	27,760	83,339	25,041	-17%	-10%
--Hungary	2,449	880	16,917	4,540	26,503	7,126	57%	57%
--Netherlands	49,589	18,318	4,389	1,395	26,017	8,953	493%	542%
--Germany	83,175	31,708	45,917	12,755	12,357	3,733	-73%	-71%
--Slovakia	0	0	0	0	8,351	2,241	n/a	n/a
--Austria	16,957	5,873	23,820	6,512	6,000	1,781	-75%	-73%
--France	9,585	2,458	1,307	324	0	0	-100%	-100%
--Denmark	4,624	1,827	0	0	0	0	n/a	n/a
United States	0	0	7,783	1,936	42,852	9,109	451%	371%
Australia	14,608	8,008	41,477	14,867	31,224	9,643	-25%	-35%
Canada	17,693	5,114	51,674	12,293	16,001	3,739	-69%	-70%

Source: World Trade Atlas

Table 5: Russia Imports, Bovine Semen (HS-051110)

	2007		2008		2009		2009/2008 Δ	
	US\$000	KG	US\$000	KG	US\$000	KG	US\$	KG
World	1,156.8	677.0	2,147.4	1,522.0	2,428.8	380.0	13%	-75%
Canada	440.7	398.0	658.1	465.0	1,018.8	94.0	55%	-80%
United States	366.4	116.0	911.3	945.0	760.5	114.0	-17%	-88%
European Union	328.7	162.0	548.0	108.0	636.4	170.0	16%	57%
--Germany	133.6	68.0	256.7	29.0	512.8	121.0	100%	317%
--Netherlands	126.4	90.0	86.1	31.0	85.9	48.0	0%	55%
--Finland	27.7	0.0	0.0	0.0	21.6	1.0	n/a	n/a
--Switzerland	27.0	2.0	0.0	0.0	10.0	0.0	n/a	n/a
--Slovakia	0.0	0.0	0.0	0.0	6.2	0.0	n/a	n/a

--Hungary	0.0	0.0	40.9	1.0	0.0	0.0	-100%	-100%
--Lithuania	14.0	2.0	55.6	7.0	0.0	0.0	-100%	-100%
--Denmark	0.0	0.0	102.8	40.0	0.0	0.0	-100%	-100%
Australia	21.0	1.0	30.0	4.0	13.0	1.0	-57%	-75%

Source: World Trade Atlas

Swine

The Russian pork industry is slowly advancing but remains heavily reliant on continued state financial support to expand further. Growth in pig stocks is largely tied to investment in construction and renovation of swine operations and more widespread use of genetic stock from Europe and Canada. From 2006 to 2008, state funding added the following annual swine capacity: 193,600 head, 810,100 head, and 894,700 head, respectfully. Part of this funding went for imports of pedigree hogs.

For coordination of pork producer activity, a National Union of Swine Producers was created in June 2009. One of the main goals of the union is to develop a program of genetic improvement of the Russian swineherd. Russian pure-bred breeding swine imports fell to \$13.8 million in 2009, half of the total in 2008 and a third of the total in 2007. The European Union controls three-quarters of the market while Canada supplies the remainder. The major reason for fall in imports was financial and economic crises that reduced investment in construction and renovation of swine operations and purchases of pedigree swine to populate them. The United States' only constraint to becoming a dominant supplier of live swine to Russia remains its inability to transport them through Europe.

Table 6: Russia Imports, Live Pure-Bred Breeding Swine (HS-010310)

	2007		2008		2009		2009/2008 Δ	
	US\$000	Head	US\$000	Head	US\$000	Head	US\$	Head
World	43,796	57,482	29,781	32,312	13,825	12,577	-54%	-61%
European Union	31,366	45,436	26,714	29,918	9,970	9,321	-63%	-69%
--Denmark	1,836	1,677	8,092	10,388	4,605	4,852	-43%	-53%
--France	9,567	10,330	4,278	3,875	2,114	1,477	-51%	-62%
--Poland	9,365	17,760	3,665	5,145	1,084	1,477	-70%	-71%
--Ireland	1,056	999	1,972	1,336	1,043	376	-47%	-72%
--Germany	2,377	4,521	3,388	4,262	535	782	-84%	-82%
--Czech Republic	1,112	1,387	891	724	183	69	-79%	-90%
--Hungary	2,028	3,052	3,716	3,552	144	54	-96%	-98%
--Lithuania	833	1,222	64	152	0	0	-100%	-100%
--United Kingdom	2,920	4,137	0	0	0	0	n/a	n/a
Canada	10,626	10,512	3,067	2,394	3,856	3,256	26%	36%

Source: World Trade Atlas

Poultry

The Russian Government permanently lifted import custom tariffs for hatching eggs and grandparent and parent female chicks of fowls weighing less than 185 grams. The previous tariffs for these commodities were 5 percent for chicks and 15 percent for hatching eggs. Keeping in mind that hatching eggs and chicks are important for the quickly expanding Russian poultry and egg sector, this measure will help to decrease production costs of broilers since 20.2 percent of production stems from the cost of day old hatchlings.

Russia imports of live chicks and hatching eggs are steady over the past few years and represent a \$100 million market. Live poults and hatching eggs are a considerably smaller but growing market as imports totaled nearly \$10 million in 2009. Considering distance constraints and cost, the United States is most competitive shipping hatching eggs. However, the United States has not yet entered the market for turkey eggs.

Table 7: Russia Imports, Live Chicks (HS-010511) and Poults (HS-010512)

	2007		2008		2009		2009/2008 Δ	
	US\$000	1,000	US\$000	1,000	US\$000	1,000	US\$	Vol.
<i>010511, Chickens, Live, Weight Not Over 185 G (6.53 Oz.)</i>								
World	41,337	10,086	55,240	9,505	54,361	9,121	-2%	-4%
European Union	40,513	9,084	54,962	9,413	54,361	9,121	-1%	-3%
--Hungary	5,777	1,367	16,094	3,416	18,756	3,997	17%	17%
--Netherlands	9,826	2,202	12,377	2,214	12,073	2,266	-2%	2%
--France	5,628	321	11,370	382	9,321	270	-18%	-29%
--Germany	5,822	1,285	7,130	1,380	5,586	859	-22%	-38%
--Denmark	8,857	2,105	3,442	789	5,005	1,125	45%	42%
United States	75	15	252	54	0	0	-100%	-100%
Ukraine	588	940	25	39	0	0	-100%	-100%
<i>010512, Turkeys, Live, Weight Not Over 185 G (6.53 Oz.)</i>								
World	3,290	1,111	3,273	1,051	2,893	1,092	-12%	4%
European Union	3,290	1,111	3,273	1,051	2,893	1,092	-12%	4%
--Poland	2,540	1,065	2,760	1,028	2,893	1,092	5%	6%
--France	491	23	514	23	0	0	-100%	-100%

Source: World Trade Atlas

Table 8: Russia Imports, Poultry Eggs for Hatching (HS-04070011 & HS-04070019)

	2007		2008		2009		2009/2008 Δ	
	US\$000	1,000	US\$000	1,000	US\$000	1,000	US\$	Vol.
<i>04070019, Poultry Eggs For Hatching (Excl. Turkey Or Goose)</i>								
World	55,657	150,947	53,461	141,563	56,305	158,761	5%	12%
European Union	37,719	104,771	39,750	109,567	45,761	132,734	15%	21%
--Netherlands	22,328	58,112	25,370	67,722	26,998	75,497	6%	11%
--Germany	10,902	35,399	13,587	39,861	15,405	47,501	13%	19%
--Spain	2,503	5,440	101	216	1,309	4,044	1194%	1772%
--Hungary	1,356	3,978	0	0	445	1,260	n/a	n/a
United States	10,292	25,463	9,284	21,927	9,581	23,182	3%	6%
Ukraine	7,646	20,713	4,427	10,070	576	1,894	-87%	-81%
<i>04070011, Turkey Or Goose Eggs For Hatching</i>								
World	3,289	2,531	4,052	2,592	5,200	3,555	28%	37%
Canada	2,448	1,990	2,575	1,762	3,194	2,399	24%	36%
European Union	841	541	1,478	830	2,006	1,156	36%	39%
--France	841	541	1,478	830	2,006	1,156	36%	39%

Source: World Trade Atlas

Sheep and Goats

The market for exporting live sheep and goats to Russia is small and was essentially non-existent in 2009. However, the United States will have a new opportunity to test the market in 2010 with a newly signed veterinary certificate in December 2009.

Table 9: Russia Imports, Pure-Bred Sheep (HS-01041010) & Goats (HS-01042010)

	2007		2008		2009		2009/2008 Δ	
	US\$000	Head	US\$000	Head	US\$000	Head	US\$	Vol.
<i>01041010, Pure-Bred Sheep For Breeding</i>								
World	460	n/a	0	0	0	0	n/a	n/a
Australia	348	66	0	0	0	0	n/a	n/a
Kazakhstan	112	[35]*	0	0	0	0	n/a	n/a
<i>01042010, Pure-Bred Breeding Goats</i>								
World	418	837	182	306	0	0	-100%	-100%

European Union	407	833	182	306	0	0	-100%	-100%
--Germany	303	500	182	306	0	0	-100%	-100%
--Netherlands	103	333	0	0	0	0	n/a	n/a
Australia	11	4	0	0	0	0	n/a	n/a

Source: World Trade Atlas

*MT

Horses

Russia significantly increased imports of horses in 2008, but the economic and financial crisis negatively influenced horse trade in 2009. Prospects in 2010 will have a direct correlation with the economic recovery. The United States is the predominant supplier. Russia has been a traditional market thoroughbreds as well as standard bred horses.

Table 10: Russia Imports, Pure-Bred Breeding Horses (HS-01011010)

	2007		2008		2009		2009/2008 Δ	
	US\$000	Head	US\$000	Head	US\$000	Head	US\$	Head
World	955	220	4,498	368	2,880	329	-36%	-11%
United States	490	88	1,582	232	1,412	190	-11%	-18%
European Union	420	113	2,897	125	1,381	121	-52%	-3%
--United Kingdom	18	7	149	25	427	13	187%	-48%
--Ireland	17	11	724	30	416	19	-42%	-37%
--Italy	8	1	5	4	307	46	6443%	1050%
--Germany	307	53	1,858	42	126	15	-93%	-64%
--France	7	4	50	8	66	14	30%	75%

Source: World Trade Atlas

[1] Traditionally, most Russian bovine breeds are "dual-purpose", i.e., used for production of both meat and milk. The "specialization" alluded to in the program documents refers to adoption of beef breeds, something heretofore not widely practiced in Russia.

Author Defined:

Other Relevant Reports:

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<http://gain.fas.usda.gov/Pages/Default.aspx>

12/22/2009 Russian Federation, Moscow

Policy and Program Announcements

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<http://gain.fas.usda.gov/Pages/Default.aspx>

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<http://www.fas.usda.gov/gainfiles/200812/146306807.pdf>

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<http://www.fas.usda.gov/gainfiles/200707/146291764.doc>

RS7020 Progress of the National Priority Project in Agriculture

<http://www.fas.usda.gov/gainfiles/200702/146280251.doc>

RS7005 The Law on Development of Agriculture

<http://www.fas.usda.gov/gainfiles/200701/146279991.doc>

RSRS5086 Agriculture as a "National Priority Project"

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